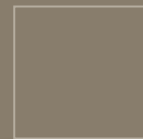
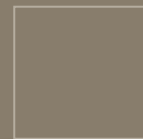


INAMED



BUILDING VALUE BY ENHANCING LIVES

2003
Annual Report

Preface

Inamed Corporation has the corporate mission to build value for the stakeholders in the company, from stockholders to employees, physicians and patients.

We have taken and will continue to take what we believe are the appropriate steps to accomplish that mission. We build value by knowing and understanding the physicians, patients, markets and constituents whom we ultimately serve and by delivering with integrity the appropriate healthcare products and services.

We build value by enhancing lives. Inamed is a global leader in developing, manufacturing and marketing innovative lifestyle solutions in our chosen healthcare markets. The products are available through our business franchises: Inamed Aesthetics, which offers a diverse line of breast implants for augmentation and reconstruction surgeries as well as a broad range of dermal products to correct facial wrinkles and improve lip definition; and Inamed Health, a market leader in minimally invasive surgical products that provide significant, sustained weight loss leading

to improved health for patients who are burdened with the plight of morbid and severe obesity.

Building value in the healthcare areas we serve requires the Inamed team to possess *a clear vision*. And we do. The company also has built *a solid foundation* that is associated with the strong growth of our current portfolio, a dedicated commitment to customer service and a strong group of Inamed employees. Looking at the financial performance of the business over the past few years, the company has displayed *a track record of significant growth*.

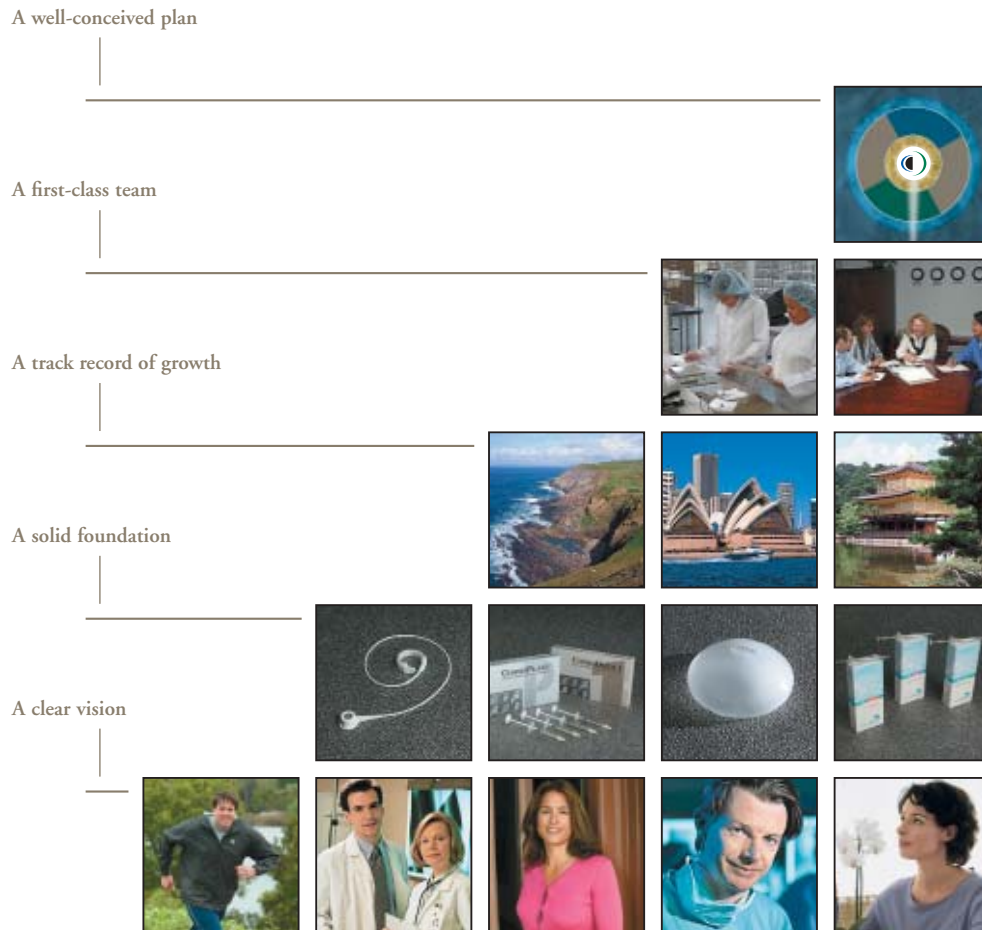
We have achieved our success in part due to the efforts of *a first-class team* of people all the way up and down the line. Because of our

commitment to retaining great people and *a well-conceived growth plan*, the company will excel.

We are extremely proud of our accomplishments in each of our key business areas and of our reputation for quality service and innovation.

Thank you for letting us share, in the following pages, the results of the building process that supported us in the year 2003 and that will support our efforts into the future.

Preface



“Looking to the future, great achievements will not evolve independent of our actions; they are always the result of a positive mental attitude, a shared purpose, exceptional teamwork, intelligent direction, passionate execution and the knowledge that nothing of greatness comes easy.”

*Nicholas L. Teti Jr.
Chairman of the Board,
President and Chief Executive Officer*



Opposite page:

Nicholas L. Teti Jr.

*Chairman of the Board,
President and
Chief Executive Officer*

To our stockholders, employees, interested parties and friends: 2003 was an outstanding year for Inamed, as we achieved many pivotal milestones. These accomplishments have become the solid foundation for a very bright and exciting future.

In 2003 our business franchises performed at record levels, as evidenced by our sales and profitability growth. Key aspects of our performance were the continued development of our new product pipeline and the consolidation of our manufacturing operations. In addition, the performance and development of our business has provided a confidence level in our organization characterized by discipline, competitive spirit, and a strong desire to be the leader in our markets.

I am pleased to report that every aspect of our business exemplified our successes. In 2003 our revenue and net income grew 21% and 61% respectively compared to 2002. In fact, all three of our franchises grew at double-digit rates for the year. The forces behind our growth were the successful launch and

subsequent strong market acceptance in the United States and Canada of our human-based collagen facial aesthetics products, CosmoDerm® and CosmoPlast®; the continued acceptance and growth, particularly in the United States, of the LAP-BAND® System in our obesity intervention franchise; and the consistent performance of our worldwide breast implant franchise.

While I am proud of the business that we continue to build, we are also fortunate to be in a business that affords us the opportunity to profoundly enhance the quality of people's lives all over the world.

I would like to summarize below some highlights from our three areas of focus.

INAMED HEALTH – **Obesity Intervention**

We have entered an era in which obesity is viewed and treated as a disease instead of a personal failing. An individual who suffers from obesity not only endures physical and social traumas, but is also subject to a host of life-threatening ailments. Inamed is committed to providing innovative solutions that can provide consistent, long-term weight loss for those afflicted with severe obesity.

We have continued to expand utilization of the LAP-BAND System in the United States by increasing the number of trained and proctored surgeons and by growing the universe of insurance providers covering the procedure. Full-year 2003 obesity intervention product sales grew 60%, to \$63.1 million, over sales in 2002. Results in the United States led this advance, attributable in part to increased consumer awareness

and acceptance of the product in targeted geographic and demographic markets.

We intend to develop more direct-to-consumer awareness programs and clinical development studies in market segments that include diabetics, less obese patients (those with lower Body Mass Indices), and teenagers who have few alternative treatment options. Recently, a substantial amount of U.S. peer-reviewed clinical documentation on obesity and related conditions has reached key surgical journals and scientific meetings. This coverage is expected to provide ongoing support for the clinical acceptance of our LAP-BAND System product and will also aid our efforts to broaden insurance reimbursement for treatment.

With respect to other products in the Inamed Health pipeline, the company held discussions with the FDA concerning the possible initiation of a U.S. pilot study for the BioEnterics® IntraGastric Balloon (BIB®). The BIB is sold in parts of Europe as a minimally invasive treatment for obese patients.

INAMED AESTHETICS – **Breast Aesthetics**

Inamed is a world leader in breast aesthetics and worldwide sales in 2003 increased 14% over sales in 2002, to \$177.8 million. The consistent year-over-year performance of our breast aesthetics business reflects both domestic and international growth. This upsurge illustrates our successful and ongoing commitment to develop and increase our value-added relationships with plastic surgeons, our execution of focused marketing plans, and the steady performance of our sales organization.

As examples of our value-added approach to this franchise, in 2003 we launched the Inamed Academy™ and our ‘Looking Your Best™’ consumer website drove traffic to participating physicians. The Inamed Academy is an innovative, first-of-its-kind program that delivers advanced education and teaches the basics of implant history and anatomy. This program, led by world-renowned surgeons, has been very successful as measured by the overwhelming response and feedback received from attending physicians.

Moreover, our *lookingyourbest.com* website became one of the most frequently visited plastic surgery sites, averaging more than 12 million hits a month. We have been able to track measurable results from traffic to the website based on incremental consults to the physicians who have signed up on the site.

These initiatives, coupled with other turnkey marketing tools, form the basis of the value proposition we deliver to the plastic surgery community and are the cornerstone of the value-selling strategy that we have put into place over the past two years. We intend to continue to expand these initiatives in the coming year to solidify our market position and deliver the value that our customers expect.

INAMED AESTHETICS – Facial Aesthetics

Noninvasive cosmetic procedures continue to increase dramatically in popularity and appeal to the fastest-growing age demographic, the “Baby Boomers.” Inamed is at the forefront of the dermal filler market and we

distribute a broad line of outstanding products.

Our worldwide facial aesthetic product sales increased 18% over sales in 2002, to \$87.2 million. The primary reason for this achievement was the successful launch of CosmoDerm and CosmoPlast, our human-based collagen products. Manufactured by using a breakthrough technology, CosmoDerm and CosmoPlast are the first FDA-approved fillers that do not require a skin test prior to treatment. Furthermore, they are the only dermal fillers on the U.S. market with both an anesthetic and the ability to deliver immediate results. Their widespread acceptance, along with the active conversion of our Zyderm® and Zyplast® business, helped drive the overall growth of our facial aesthetics business in the United States in 2003.

We also made progress with our botulinum toxin type A clinical development program and anticipate approval shortly of our hyaluronic acid-based product, Hylaform®, in the United States. Along with the early 2004 announcement of the acquisition of certain licensing rights to Juvederm®, a new-generation hyaluronic acid-based dermal filler, we expect to maintain, and to offer in the future, the widest array of facial rejuvenation products.

Company Performance

On the financial front, in 2003 our sales of \$332.6 million and net income of \$53.0 million generated sustained cash flow during the year and increased financial flexibility for the company. As of December 31, 2003, our cash balance was \$81

million, an increase of \$41 million from December 31, 2002. We also paid down \$51 million of debt during 2003.

Going forward, we are extremely excited about our opportunities, not only in the United States but also in key high-potential global markets. Our strategy is to continue to develop and grow our three business franchises around the world. I offer my deep and personal thanks to the entire Inamed community, including our valued stockholders, our dedicated employees, the physicians we work with, and the patients we serve for your support.

Together, we are the architects of our future. Challenges will arise along the way that will require all of our experience, relationships, and courage, as well as your support. But challenges are not new to the people in this business. At Inamed, our passion is to build a great business – a business that our stockholders, our employees and our customers will be proud to have an association with.

I am confident that through our expanding market presence, capabilities and product pipeline, we will continue to provide innovative products that enhance the lives of our customers around the world.

I look forward to the future with you.



Nicholas L. Teti Jr.
Chairman of the Board, President and
Chief Executive Officer

Table of Contents

Vision Statement	6
Value Proposition	8
Obesity Intervention	10
Breast Aesthetics	16
Facial Aesthetics	22
Geographic Presence and Pipeline	28
Board of Directors	30
Executive Officers	31
Company History	32
Corporate Information	33

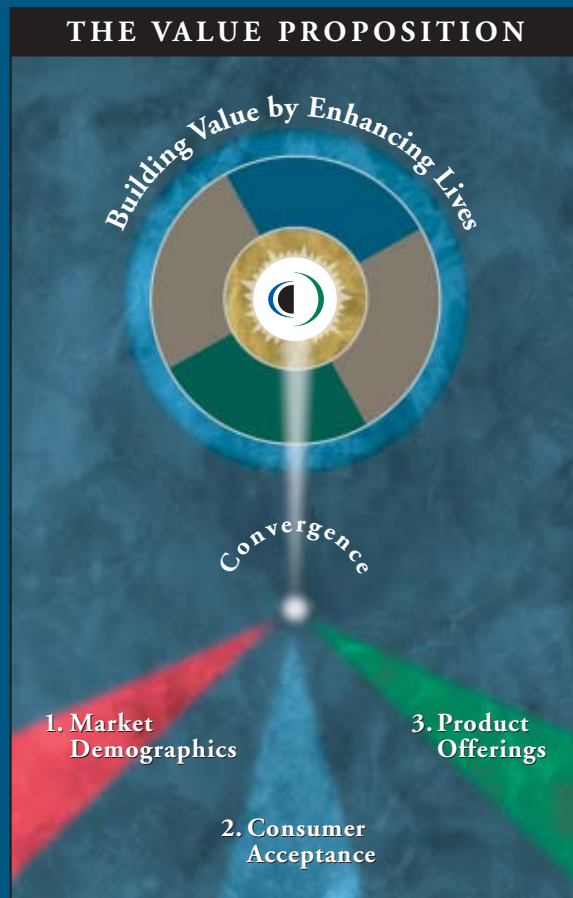
THE INAMED VISION





Our vision is to be a leading health-care company that develops and markets innovative, high-quality, science-based products that enhance the quality of people's lives. We will act in accordance with the best business values and create the best work environment where the best people choose to work.

We aspire to deliver superior stockholder returns and to be a good corporate citizen in the communities where our employees live and work.



Market demographics, consumer acceptance and product offerings have converged in a manner that reflects the relevance of Inamed's strategy.

Inamed value proposition

Our life span has gained thirty years since 1900. Joseph Coughlin, director of MIT's AgeLab says, "Living longer is one of the greatest successes of humankind. The challenge now is quality of life."

In the areas of obesity intervention and breast and facial aesthetics, Inamed is constantly aware of the evolution in our demographic complexion. Inamed's current products and future developments, either through research, acquisition or collaboration, reflect the continuing demographic changes in the population that we serve in the United States and around the world.

1. Timing - Over the past fifty years, life expectancy has risen dramatically. The largest demographic in our population—the 76 million Baby Boomers—is growing older. The developed world, and particularly the United States, now lives in an affluent social environment never before seen. With this social affluence comes an evolution of lifestyles that will significantly impact our business. Now, we can live active, youthful lives for decades. And younger generations now see that they can improve the quality of their lives using new products. Medical healthcare advances have helped make it possible for us not only to live longer, but also to live well and look well – that is, if we remain healthy.

2. Demand - Inamed focuses on key target audiences, including the Baby Boomers. The Boomers are healthier, more

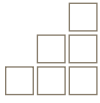
active, more image-conscious, and far more demanding in asserting themselves. They want to improve the quality of their lives and seek to regain a more healthful life and youthful appearance through various means, including non-surgical cosmetic facial rejuvenation, cosmetic breast augmentation, and reconstructive breast surgery. Another segment that Inamed targets is people who suffer from what could become the most serious health-care issue of the 21st century – obesity. The morbidly obese population is growing rapidly, and less invasive forms of weight reduction surgery have become more prevalent for this segment.

3. Product - As a leading global healthcare company, Inamed focuses on key target audiences to provide innovative, high-quality products and services to enhance the quality of people's lives. Inamed will maintain its focus on selling highly relevant and effective products to the facial aesthetics, breast reconstruction/augmentation, and obesity intervention business segments.

Obese individuals have a 50-100% increased risk of early death as compared to normal weight individuals, with 300,000 to 587,000 deaths each year. This substantial increase in health risks has made obesity the second leading cause of preventable death in the United States.

Source: American

Obesity Association



Obesity Intervention

2003 saw an increase in the understanding of obesity and its causes. For too long, obesity was seen by both the medical community and in popular belief as being a primarily lifestyle-driven condition. However, the growing recognition of obesity as an epidemic throughout the United States and the western world forced a greater understanding of the disease and its causes. As science continues to search for answers, severely obese individuals must deter-

modification programs, nutrition counseling, over-the-counter drugs and dietary supplements have had limited long-term success in treating the problem.

Complicating matters further, obesity affects more than just the severely obese person. The problem affects society as a whole, because obesity contributes to the

The LAP-BAND System wraps around the upper stomach like a wrist watch.



arthritis and joint problems. The eventual cost of this serious disease is therefore enormous: an estimated annual treatment cost in excess of \$238 billion, roughly \$100 billion of which is devoted to treating related health problems.

Inamed is committed to fighting obesity through our focus on developing and offering products that lead to sustained weight loss at a cost and mortality rate that is lower than other major surgical procedures. Developed to aid in long-term weight loss, our BioEnterics® LAP-BAND® System is now being used by leading laparoscopic bariatric surgeons worldwide to treat severe obesity.

The BioEnterics LAP-BAND System is designed to restrict the amount of food the stomach can hold by placing an

The LAP-BAND System "family of Bands"



Illustration of the LAP-BAND System *in situ*



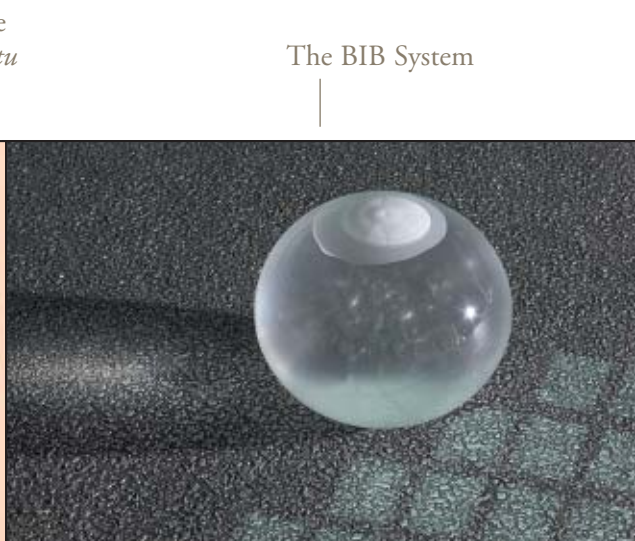
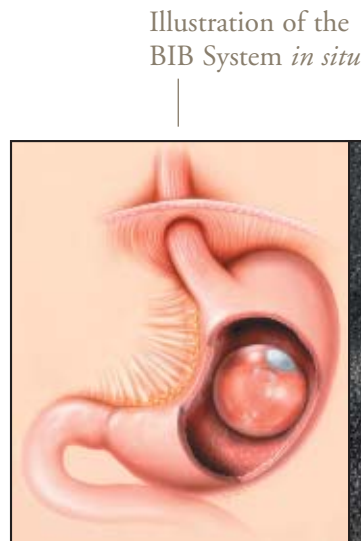
mine how to treat their condition in the most effective way and society must address how to pay for the cost of effective care. Unfortunately, treatments with various diets, behavior

incidence of chronic disease. Serious medical conditions linked to obesity include diabetes, hypertension, heart disease, stroke, sleep apnea, respiratory problems, osteo-

inflatable silicone band around the upper part of the stomach. The new, small upper stomach pouch limits the amount of food that can be consumed at one time, and a narrowed stomach outlet increases the time it takes for the stomach to empty. The subsequent reduction in food intake results in weight loss.

While the BioEnterics LAP-BAND System was only recently approved in the United States (June 2001), it has been in use internationally since 1993 and is the preferred standard of care in Australia and Europe. To date, more than 120,000 procedures have been performed worldwide.

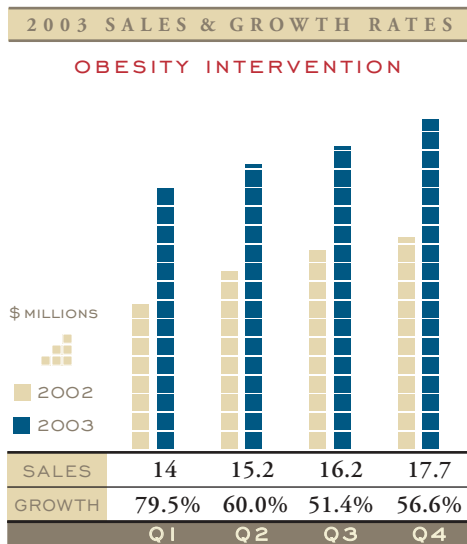
Inamed Health sales grew by 60% in 2003, reaching \$63.1 million. The growth in sales was driven primarily by the Company's continued



focus on expanding utilization of the BioEnterics LAP-BAND System for the treatment of severe obesity in the United States. We accomplished this by our effective training and proctoring programs for surgeons, by expanding insurance coverage, and by increasing consumer awareness and acceptance – all supported by an ever-growing body of medical literature demonstrating the success and advantages of the BioEnterics LAP-BAND System in obesity intervention.

We believe that one of the keys to the success of the BioEnterics LAP-BAND System in the U.S. is our training program for physicians. At the end of 2003, the Company had identified and trained a

total of 601 surgeons, an increase of 62% over 2002. In addition, through our continued relationships with the medical community including patient advocacy groups, we have greatly increased the reimbursement coverage for the BioEnterics LAP-BAND System. For the year 2003 alone, we began with 22 million medical members and ended with 80 million medical members in the United States. While we are encouraged by this growth in insurance coverage, some of these plans still have specific policies that limit reimbursement for obesity surgery. This is a key challenge for us to address in the coming months. Finally, we now have over 600 peer-reviewed publications in leading medical journals.





Obesity Intervention

Ireland

Administration

Manufacturing

Sales & Marketing

As the obesity epidemic continues to gain momentum as a serious and complicated health-care issue around the world, we expect to see an ensuing increase in the severely obese segment outside of North America in the coming years. Internationally, the BioEnterics LAP-BAND System remains the

market share leader in obesity surgery in almost every market in the world, including Australia, Europe, Latin America and the Middle East.

Recently, Australian researchers reported that the BioEnterics LAP-BAND System dramatically improved the health of severely obese people with type 2 diabetes. In a study involving 50 obese diabetic patients (out of the 500 presenting for the BioEnterics LAP-BAND System surgery), 32 (64%) had remission of their diabetes a year following the surgery, and 13 (26%) had major improvement in control of

blood sugar levels. The surgery also resulted in improved blood pressure, cholesterol, sleep patterns, depression, and overall quality of life.

Going forward, we intend to have a stronger focus on patient subpopulations (diabetics, the moderately obese, and adolescents). In turn, we expect this to expand the global market potential for BioEnterics LAP-BAND System procedures.

Because severe obesity has a profound influence on the way patients perceive themselves, their health status, and their mental, emotional, physical and economic capacity, Inamed Health will continue to deliver innovative solutions to improve the health and quality of life for individuals suffering from obesity around the world.

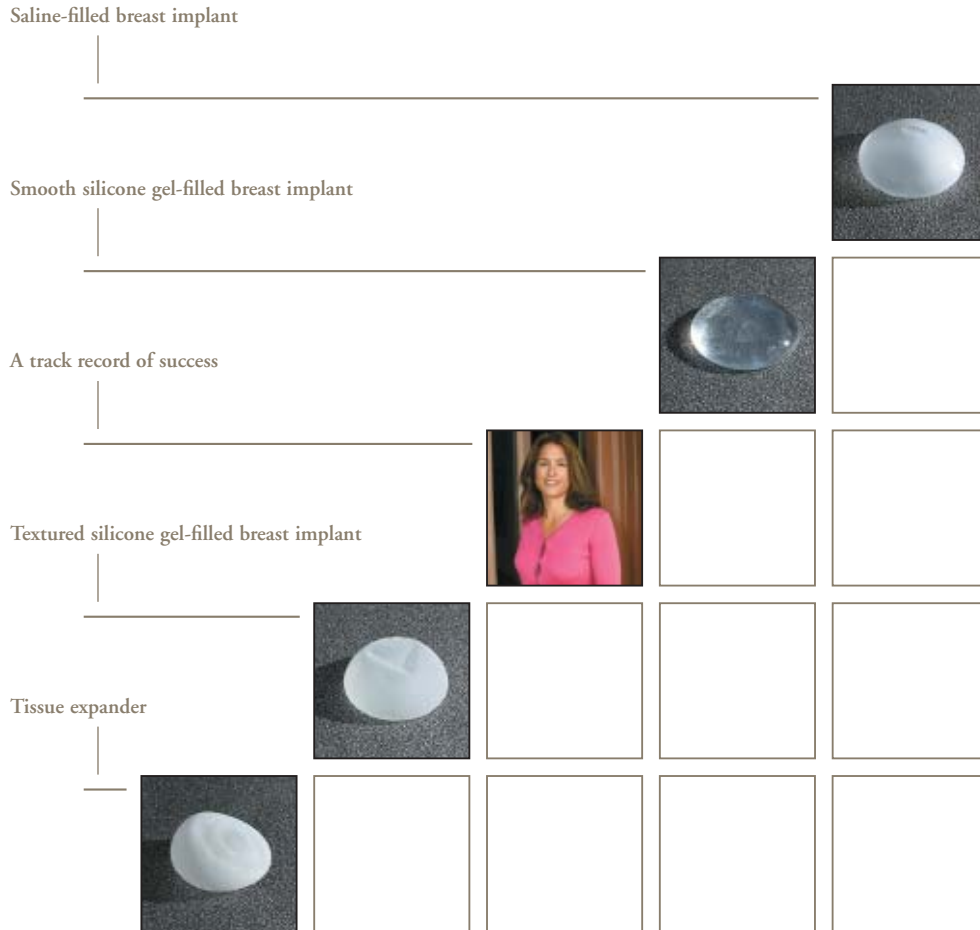
The BIB System —



Breast augmentation was the second most commonly performed cosmetic plastic surgery for women in the United States in 2003, with a total of over 280,000 procedures performed, up 12% from 2002.

*Source: American Society for
Aesthetic Plastic Surgery (ASAPS)*

Breast Aesthetics



INAMED Aesthetics

Domestic

- Saline
- Silicone Gel*
- Tissue Expanders

International

- Saline
- Silicone Gel
- Cohesive Silicone Gel Matrix™
- Tissue Expanders

* In the United States, Inamed silicone gel-filled implants are limited distribution devices and are available from a licensed physician as part of a clinical study.



Breast Aesthetics

Breast implant surgery is one of the most popular forms of cosmetic surgery available today. The surgery is used for aesthetic augmentation or reconstruction purposes.

Textured, saline-filled breast implants



Regardless of the circumstances that lead to a woman's choice to have breast implant surgery, at Inamed we strive to provide the most innovative and effective products and services to meet the growing demands of this market.

Breast augmentation is a procedure performed to enhance the shape and size of a woman's breast. The number of women seeking breast enhancement surgery

continues to increase, and in 2003 over 280,000 women in the United States elected to undergo breast augmentation surgery, making it the second most popular cosmetic procedure among women according to the American Society of Aesthetic Plastic Surgery (ASAPS). With a changing

socio-economic environment and growing demographics, the market has evolved beyond a singular focus on size to include an emphasis on shape and feel.

Breast reconstruction is a surgical procedure that recreates the

contour of a woman's breast using either implants or the woman's own tissues. Compared to tissue based reconstruction, breast reconstruction with an implant requires a shorter operative and recuperative time, and causes less trauma and stress to the body. Over the last fifteen years, reconstruction with implants has been and continues to be the most commonly employed strategy for breast reconstruction.

Inamed Aesthetics markets a broad portfolio of breast implant and tissue expanders products for the augmentation and reconstruction markets around the world. In 2003, we focused on strengthening our value proposition and relationships with plastic surgeons. New product introductions, line extensions and improved packaging demonstrated our ability to listen and effectively respond to customer demands and feedback. As a result, in 2003, worldwide sales of our breast aesthetics products increased by 14% over sales in 2002, to \$177.8 million. This strong performance in the Company's breast aesthetics business reflects continued growth both domestically and internationally.



Smooth, saline-filled breast implants

Smooth and textured
silicone gel-filled
breast implants



Domestically, Inamed Aesthetics sells saline-filled breast implants, tissue expanders, and provides silicone gel-filled breast implants through various clinical studies.

In October 2003 the General and Plastic Surgery Advisory Panel of the U.S. Food and Drug Administration (FDA) reviewed the Company's pre-market approval (PMA) application for silicone gel-filled breast implants and recommended approval, with conditions, in the United States. The Panel recommendation was for all indications, including breast augmentation and reconstruction.

However, in January 2004 the Company received a "Not Approvable" letter from the FDA. The letter outlined additional information that

we will need to provide prior to the FDA's further review of our PMA for silicone gel-filled breast implants. We are working with the FDA to respond to the January letter in accordance with the Agency's revised draft guidance for breast implant sponsors.

A positive outcome of the FDA's proposed guidance is the establishment of a framework that may also apply to the filing of our next PMA submission.

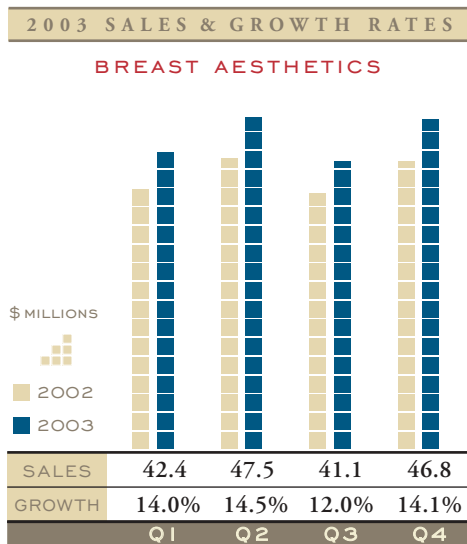
This PMA submission would be for our next-generation breast implants based on the Style 410 Cohesive Silicone Gel Matrix™ products. The Style 410 implants are in the third year of a 10-year clinical study

and we anticipate filing the PMA for this product in 2004.

The Company continues to provide silicone gel-filled breast implants in the United States for reconstruction and revision surgery patients who meet the established eligibility requirements of the various clinical studies.



Tissue expanders





Breast Aesthetics

Australia

Sales & Marketing

*Independent distributor
for breast aesthetics*

Internationally, Inamed Aesthetics markets a comprehensive and broad portfolio of breast implant and tissue expander products that include saline-filled and silicone gel-filled breast implants. The innovative Style 410

Cohesive Silicone Gel Matrix implants are our flagship product line in these markets. This product line provides unparalleled features that support the BioDIMENSIONAL planning system, which is used by physicians to achieve optimal aesthetic results. Our unique planning system gives physicians the ability to customize and provide implant solutions for their patients' unique body sizes and shapes.

Additionally, our broad portfolio of silicone gel-filled breast implants offers varying

degrees of cohesiveness of the filler material and a range of different shapes and textures of the shell material.

Silicone gel-filled breast implants are the predominant choice for women in these markets outside of the United States. In fact, more than 90% of our breast implant sales outside the United States are silicone-gel filled. These silicone gel-filled breast implants are primarily sold in Europe, the Middle East, Northern Africa, Latin America, Australia, New Zealand and Asia.

At Inamed, our on-going research and develop improvements and extensions to our product line in breast aesthetics allows us to continue our market leading position globally.

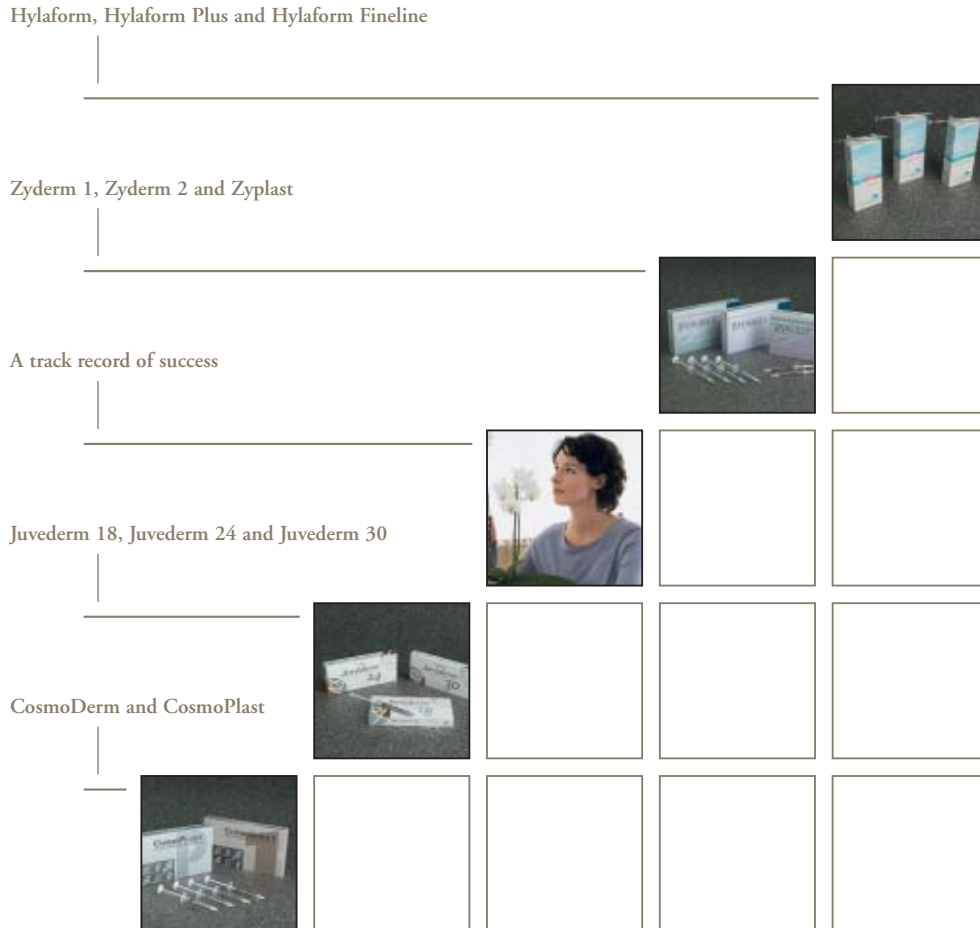
Textured silicone
gel-filled breast
implants



The 35- to 50-year-old age group is the fastest growing demographic in the developed world and accounted for 45% of the 8.3 million cosmetic procedures performed in the United States in 2003. People aged 19-34 years represented 24% of these procedures, while the 51-64 age group accounted for 23% of the total in 2003.

*Source: American Society for
Aesthetic Plastic Surgery (ASAPS)*

Facial Aesthetics



INAMED Aesthetics

Domestic

Zyderm® 1, Zyderm® 2 and Zyplast®

CosmoDerm® 1 and CosmoPlast®

Facial Implants

International

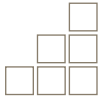
Zyderm® 1, Zyderm® 2 and Zyplast®

Hylaform®, Hylaform® Plus and Hylaform® Fineline

CosmoDerm® 1 and CosmoPlast®

Juvederm® 18, Juvederm® 24 and Juvederm® 30 (approved in Canada)

Hydrafill® 1, Hydrafill® 2 and Hydrafill® 3



Facial Aesthetics

Continued growth in non-surgical procedures in the United States accounted for the greatest increase in cosmetic procedures in 2003, according to the American Society for Aesthetics Plastic Surgery (ASAPS). Of the 8.3

Zyderm 1,
Zyderm 2
and Zyplast



million cosmetic procedures performed in 2003, 6.4 million, or 78%, were non-surgical in nature. These non-surgical procedures, of which facial aesthetics comprise a subset, grew 22% in 2003 from 2002 levels.

With the anticipated growth over the next decade in median age of the world's population — led by Europe, North America, and Japan — it is expected that this aging population will continue to seek ways to enhance their appearance through cosmetic procedures.

As a leader in facial aesthetic products, Inamed is well positioned to capitalize on this trend with an expanding portfolio of cosmetic facial rejuvenation products designed to enhance the health and beauty of the face and skin. Our comprehensive product lines are used by leading cosmetic dermatologists, plastic surgeons and other medical professionals to serve the needs and demands of patients worldwide.

In 2003, worldwide sales of Inamed's facial aesthetic products increased by 18% over sales in 2002, to \$87.2 million. The products which primarily contributed to sales in 2003 were Zyderm®, Zyplast®, Cosmoderm®, CosmoPlast® collagen based fillers, and the hyaluronic acid-based dermal fillers Hylaform®, Hylaform® Plus and Hylaform® Fineline.

During the year, rapid adoption by physicians and patients of the newly introduced CosmoDerm and CosmoPlast contributed to their success as the latest innovative collagen-based treatments for facial rejuvenation. Approved by the FDA in March 2003, CosmoDerm and CosmoPlast are the

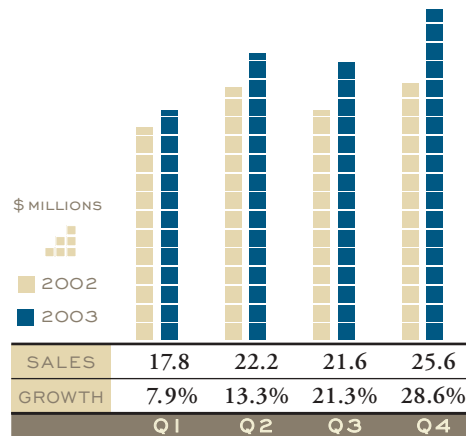
first and only human-based collagen dermal fillers that contain collagen purified from human dermal tissue processed under controlled laboratory conditions. CosmoDerm and CosmoPlast do not require a skin test prior to initial treatment, offering a significant convenience advantage to patients looking for immediate results. In addition, CosmoDerm and CosmoPlast are formulated with an anesthetic for patient comfort.

We look forward to the continued success of these products.

With our partner, Genzyme Corporation, clinical development in the United States for Hylaform® gel, a hyaluronic acid-based dermal filler product, was completed. The pre-market approval (PMA) application was filed in August 2003 and considered

2003 SALES & GROWTH RATES

FACIAL AESTHETICS



CosmoDerm and
CosmoPlast



by FDA's General and Plastic Surgery Advisory Panel in November 2003. The Panel recommended the approval of Hylaform with conditions and final approval by FDA is currently pending. We expect to launch this important product in the first half of 2004.

In early January 2004, Inamed signed a marketing and distribution agreement with Corneal Group for certain rights to the Juvederm® dermal filler product line in specified markets around the world. Juvederm is a full range of products based on non-animal, cross-linked, homogeneous gel hyaluronic acid-based products. The agreement includes current marketed formulations of Juvederm as well as the rights to future product line extensions and

new hyaluronic-acid based products. Clinical trials in the United States are expected to commence during 2004, and the addition of the Juvederm product line gives Inamed the broadest portfolio of collagen and hyaluronic acid-based dermal fillers available in the industry.

Rounding out our dermal filler line are the products that practically created the wrinkle correction market 20 years ago. Zyderm and Zyplast collagen implants are natural products derived from highly purified bovine collagen that are injected just under the surface of the skin. Used in millions of treatments worldwide since market introduction, Zyderm and Zyplast are considered the gold standard in filler materials for smooth-

ing facial lines, wrinkles and scar corrections, as well as providing lip border definition.

In 2003 with our partner, Ipsen Ltd., we completed the Phase II dosing trial for the most exciting product in our pipeline, a cosmetic botulinum toxin type A product, marketed around the world under the trade name DYSPORT® for other indications. The Phase II trial successfully resulted in the selection of an optimal dose. The identified dose will be moved into the Phase III program to assess the safety and efficacy in the treatment of certain wrinkle lines and it is anticipated to begin in 2004. Inamed has the exclusive rights to all cosmetic indications in the United States, Canada, and Japan.



Hylaform, Hylaform Plus
and Hylaform Finline



Facial Aesthetics

Japan

Sales & Marketing

Inamed has an established heritage of providing patients around the world with wrinkle correction solutions and facial rejuvenation

products. We continue to strengthen our leadership position in this field through our current portfolio and future development pipeline.

Our strategy is to develop a diverse portfolio of facial aesthetics products which provide solutions to wrinkle correction and facial rejuvenation, including capitalizing on an emerging trend of

combinational use by physicians in addressing the demand for improved treatment outcomes.

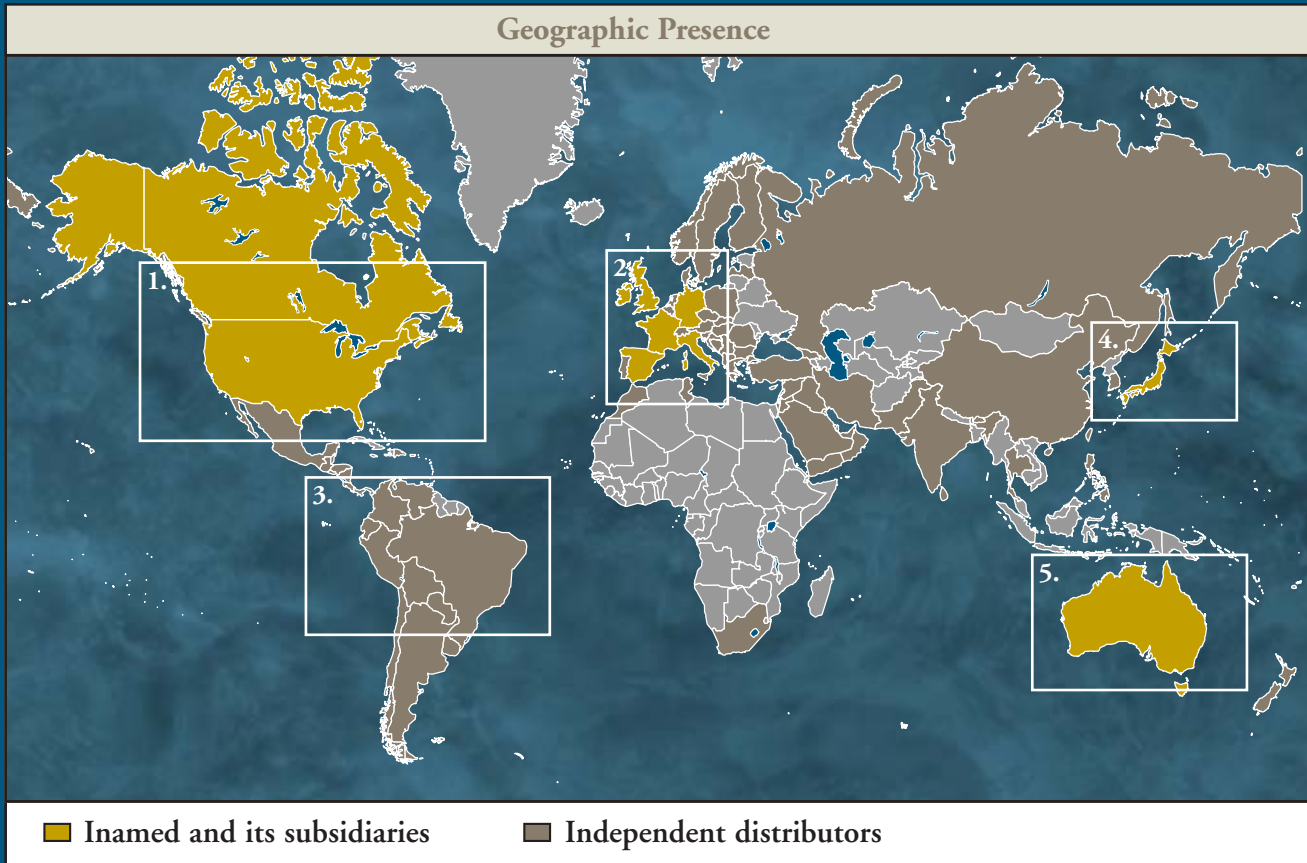
Our portfolio diversification with bovine-based and human-based collagen products, and avian-based and non-animal-based hyaluronic acid filler lines, coupled with the botulinum toxin type A product will allow us to address various market segments as delineated by demographic, economic, and socioeconomic factors.

Juvederm 18, Juvederm 24 and Juvederm 30



Hylaform, Hylaform Plus and Hylaform Finline

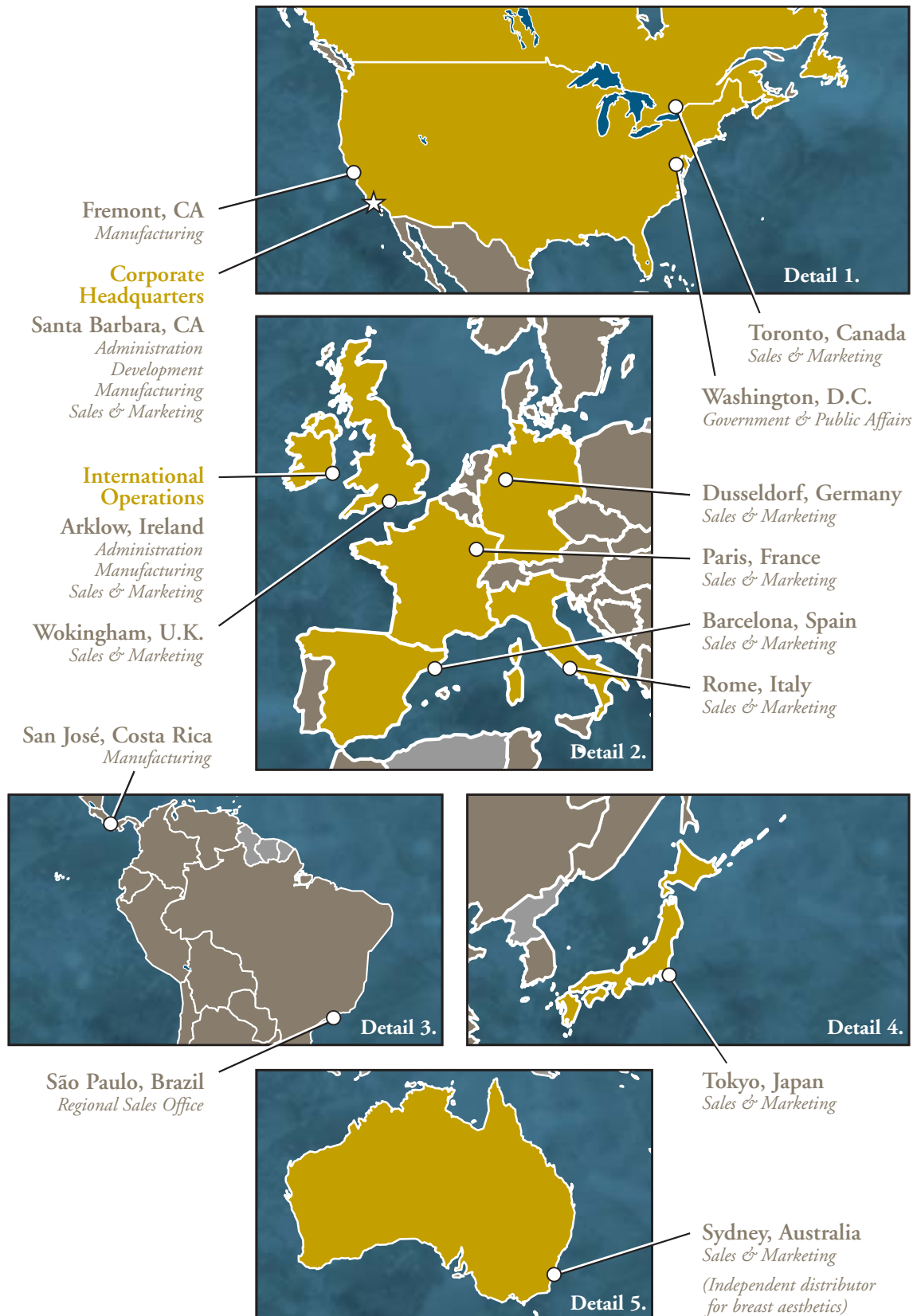
The World Map has shaded areas where Inamed currently markets or has rights to market products and pipeline candidates for each of the regions.



Product Pipeline

	DOMESTIC	INTERNATIONAL
OBESITY INTERVENTION INAMED HEALTH	The LAP-BAND System <i>The BIB System</i>	The LAP-BAND System The BIB System
BREAST AESTHETICS INAMED AESTHETICS	Saline <i>Silicone Gel*</i> <i>Cohesive Silicone Gel Matrix*</i>	Saline Silicone Gel Cohesive Silicone Gel Matrix
FACIAL AESTHETICS INAMED AESTHETICS	Zyderm/Zyplast CosmoDerm/CosmoPlast <i>Hylaform</i> <i>Juvederm</i> <i>Botulinum toxin type A</i>	Zyderm/Zyplast CosmoDerm/CosmoPlast (product approved in CA and NZ) Hylaform/Plus/Fineline Juvederm (Canada)/Hydracell (Europe) <i>Botulinum toxin type A (Japan, Canada)</i>
	On market <i>In development</i>	<i>* Limited distribution devices that are available from a licensed physician as part of a clinical study.</i>

Geographic Presence & Product Pipeline



Board of Directors

NICHOLAS L. TETI JR.
 Chairman of the Board, President and
 Chief Executive Officer, Inamed Corporation

JOY A. AMUNDSON
 Principal,
 Amundson Partners, Inc.



JAMES E. BOLIN
 Managing Director
 Citadel Investment Group, LLC



MALCOLM R. CURRIE, PH.D.
 President and Chief Executive Officer
 Currie Technologies, Inc.



JOHN C. MILES
 Chairman of the Board
 DENTSPLY International, Inc.

MITCHELL S. ROSENTHAL, M.D.
 Founder and President
 Phoenix House Foundation

TERRY E. VANDEWARKER
 Partner
 VCP Partners

Executive Officers

NICHOLAS L. TETI JR.
Chairman of the Board,
President and Chief Executive Officer

HANI M. ZEINI
Executive Vice President,
The Americas & Asia Pacific, Inamed Aesthetics



JOSEPH A. NEWCOMB
Executive Vice President,
Secretary and General Counsel



VICENTE TRELLES
Executive Vice President,
Chief Operations Officer



ROBERT S. VATERS
Executive Vice President,
Chief Financial Officer



DECLAN DALY
Senior Vice President,
Corporate Controller and
Principal Accounting Officer

RONALD J. EHMTEN, SC.D.
Senior Vice President,
Clinical and Regulatory Affairs

DAN COHEN
Vice President,
Global Government Affairs

PATRICIA COOPER
Vice President, Human Resources and
Organizational Development

Company History

INAMED has been providing innovative solutions for the breast aesthetics market for more than 25 years through our Inamed Medical Products Corporation (f/k/a McGhan Medical) and McGhan Ltd. subsidiaries. In addition, we have provided the same level of high-quality products for the facial aesthetics market since 1999 through our acquisition of Collagen Aesthetics. In 2002

we consolidated the marketing of the products of these business franchises under one name, Inamed Aesthetics. We also provide state-of-the-art products for obesity intervention through our BioEnterics® subsidiary, which we formed in 1991. We are extremely proud of our accomplishments in each of these key business franchises and of our reputation for quality, service and innovation.

Corporate Information

CORPORATE OFFICES

Inamed Corporation
5540 Ekwill Street, Suite D
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Website: www.inamed.com

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Los Angeles, California

LEGAL COUNSEL

Gray Cary Ware & Freidenrich LLP
San Diego, California

TRANSFER AGENT AND REGISTRAR

U.S. Stock Transfer Corporation
Glendale, CA 91204
Telephone: 800.835.8778

STOCK LISTING

Ticker symbol: IMDC
NASDAQ National Market System

SEC FORM 10-K

A written copy of the Company's annual report to the Securities and Exchange Commission on Form 10-K may be obtained without charge by contacting Investor Relations at 805.692.5400.

STOCKHOLDER INQUIRIES

Inquires related to stock transfer or lost certificates should be directed to the Transfer Agent at 800.835.8778. General information regarding the Company can be obtained by contacting Investor Relations at 805.692.5400 or through our website at www.inamed.com.

Forward-Looking Statements

This Annual Report contains, in addition to historical information, forward-looking statements. Such statements are based on management's current estimates and expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Inamed expressly disclaims any duty to update information contained in this Annual Report.

Forward-looking statements in this Annual Report include, without limitation, express and implied statements regarding Inamed's anticipated sales, operating results, expenses, cash flows, capital expenditures, research and development, manufacturing consolidation, product development and regulatory approval. These forward-looking statements involve risks and uncertainties which could cause actual results to differ materially from those expressed or implied here. Readers are referred to the documents filed by Inamed with the Securities and Exchange Commission, specifically the most

recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including but not limited to: exposure to product liability and intellectual property claims; exposure to liabilities that may not be adequately covered by insurance or for which there is no insurance; potential negative publicity concerning product safety; potential fluctuations in quarterly and annual results; the effect of changing accounting and public reporting rules and regulations; volatility of Inamed's stock price; changes in the economy and consumer spending; competition from existing and/or new products; failure or delay of clinical trials; uncertainty in receiving timely regulatory approval or market acceptance for new products; dependence on a single supplier for each of Inamed's silicone raw materials, bovine and human collagen-based products, hyaluronic acid-based products, and botulinum toxin type A products; failure to protect Inamed's intellectual property; adverse changes in the regulatory or legislative environment

(both in the U.S. and internationally) affecting our business; and failure of some or all of our collaborative partners to perform. The information contained in this Annual Report is a statement of Inamed's present intention, belief or expectation and is based upon, among other things, the existing regulatory environment, industry conditions, market conditions and prices, the economy in general and Inamed's assumptions. Inamed may change its intention, belief or expectation at any time and without notice based upon any changes in such factors, in Inamed's assumptions or otherwise. Inamed undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

By including any information in this press release, Inamed does not necessarily acknowledge that disclosure of such information is required by applicable law or that the information is material.



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